

Wirebury Connections Inc. INTERROGATORY #7

Interrogatory

Networks claims that only the incumbent has the “obligation to plan for customer growth” so that the capacity is in place when the customers finally arrive and that it is entitled and obliged to rely on future growth in its service area. In some instances, Networks notes that both the applicant and Networks have installed capacity available to serve new customers?

Reference: p. 5, L18-26

- a) Please explain why both the applicant and Networks would have duplicate installed capacity? Who pays for this capacity until the customers are connected and for any remaining residual excess capacity?
- b) Please provide the legislative authority which provides that there is an obligation for a utility to plan and build for customer growth without first receiving a written request for service from the customer.
- c) How is Networks entitled to future customer growth when customers have choice and its service area is not exclusive? What is the legislative justification for this entitlement?
- d) How was the obligation to serve all customers managed under Bill 185 when municipal utilities were allowed to expand their service areas and take over Ontario Hydro Retail business (p 74 Mac Report)?
- e) Please describe when and to what degree Networks builds capacity for prospective customers prior to confirming customer need and the economic feasibility of the expansion.
- f) Please provide the specific plans that Networks prepared for each of the service area amendment applications currently before the Board in this proceeding, indicating what portion of the distribution plant has been built and what specific portion would be stranded if each application is approved by the Board.

1 *Response*

2
3 (a) As part of its licence requirement and good utility practice, the incumbent LDC is
4 required to plan and provide for forecasted load growth in its service area (refer to
5 Sections 3.2.3 and 3.4.1 of DSC). The applicant LDC may have facilities near the
6 expansion area and such facilities may have available capacity to supply load in
7 excess of their forecasted load, but it did not have the obligation to plan for the
8 amendment area. The cost of available capacity is recovered through rates.

9
10 (b) (c) (d)

11
12 Please refer to Networks' Exhibit J8-10-9 (a), (b), (c) and (d).

13
14 (e) Networks uses specific customer information and detailed area load forecasts to
15 ensure adequate capacity is in place in accordance with requirements of the
16 Distribution System Code. System expansion facilities are installed after a customer
17 accepts Networks' offer to connect. System expansions and reinforcements are built
18 with consideration of forecasted load growth.

19
20 (f) Please see J8-10-24.

21